

# SENATE BILL REPORT

## SHB 2103

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As Reported By Senate Committee On:  
Water, Energy & Telecommunications, March 21, 2007

**Title:** An act relating to competitive classification of telecommunications services.

**Brief Description:** Modifying the competitive classification of telecommunications services.

**Sponsors:** House Committee on Technology, Energy & Communications (originally sponsored by Representatives Morris, Crouse and Wallace).

**Brief History:** Passed House: 3/08/07, 96-0.

**Committee Activity:** Water, Energy & Telecommunications: 3/21/07 [DP].

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### SENATE COMMITTEE ON WATER, ENERGY & TELECOMMUNICATIONS

**Majority Report:** Do pass.

Signed by Senators Poulsen, Chair; Rockefeller, Vice Chair; Honeyford, Ranking Minority Member; Delvin, Fraser, Holmquist, Marr, Morton, Oemig, Pridemore and Regala.

**Staff:** William Bridges (786-7424)

**Background:** Competitive Telecommunications Services: The Washington Utilities and Transportation Commission (WUTC) may classify a telephone service as "competitive," which means the service is subject to effective competition. In determining whether a service is competitive, the commission considers several factors, including the number and size of alternative providers of services. Competitive telecommunications services are subject to minimal regulation, which is defined in statute.

Tariffs: A non-competitive service must be described in a tariff. A tariff is a document that contains a company's rates and terms of service, and a change to a tariff is subject to the review and approval of the WUTC.

Bundled Services: In an effort to provide one-stop-shopping for customers, some telecommunications companies "bundle" or package different services into one bill. Sometimes competitively classified services are bundled with tariffed services, which has raised questions about the regulatory classification of the bundle.

**Summary of Substitute Bill:** In determining whether a competitive telecommunications service is subject to effective competition, the WUTC may consider the number and size of alternative providers of telecommunications services not subject to WUTC's jurisdiction in addition to the those that are regulated by the WUTC.

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

A noncompetitive telecommunications company may petition the WUTC to have packages or bundles of telecommunications services subject to minimal regulation. The WUTC must grant the petition if:

- each noncompetitive service in the packages or bundle is readily and separately available to customers at fair, just, and reasonable prices;
- the price of the package or bundle is equal to or greater than the cost for tariffed services plus the cost of any competitive services as determined by the WUTC; and
- the availability and price of the stand-alone noncompetitive services are displayed in the company's tariff and on its website, consistent with WUTC rules.

The WUTC may waive any regulatory requirement with respect to packages or bundles of telecommunications services if it finds those requirements are no longer necessary to protect public interest.

**Appropriation:** None.

**Fiscal Note:** Not requested.

**Committee/Commission/Task Force Created:** No.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Staff Summary of Public Testimony:** None.

**Persons Testifying:** No one.